

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 FEA-01 AGR-05  
CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02  
AID-05 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01  
SP-02 OMB-01 /113 W

-----071113Z 060174 /12

R 061756Z MAY 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC 8080

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY TOKYO

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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E.O. 11652: N/A

TAGS: ETRD, GATT, EEC

SUBJECT: GATT COUNCIL DISCUSSION OF ZENITH CASE

REF: GENEVA 3127

1. IN CONVERSATION WITH ECONMIN TRADE POLICY OFFICIAL  
ON MAY 4, EMBOFF LEARNED THAT EC COMMISSION PLANS TO  
MAKE STATEMENT ON THE U.S. COURT DECISION IN THE ZENITH  
CASE AT THE MAY 23 GATT COUNCIL SESSION. THE COMMISSION  
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PLANS TO INTERVENE AFTER THE JAPANESE, MAKING A STATE-  
MENT WHICH WILL TAKE NOTE OF THE CONTINUED GRAND-  
FATHERING OF U.S. COUNTERVAILING DUTY LEGISLATION AND  
DEPLORE THE SITUATION IN WHICH ONE GROUP OF GATT  
MEMBERS MUST LIVE BY ONE PARTICULAR SET OF RULES WHILE  
ANOTHER GATT MEMBER IS PERMITTED TO LIVE BY ANOTHER  
SET OF RULES.

2. SOURCE EXPLAINED THAT A LONG-TERM U.S./EC UNDERSTANDING EXISTS UNDER WHICH THE U.S. AGREED NOT TO ATTACK THE COMMUNITY'S AGRICULTURAL TRADE POLICY IN GATT WHEN U.S. INTERESTS WERE NOT DIRECTLY AFFECTED, AND THE EC IN TURN WOULD NOT ATTACK THE GRANDFATHERING OF THE U.S. COUNTERVAILING DUTY CODE. THE COMMISSION BELIEVES THAT THIS UNDERSTANDING HAS BEEN ERODED, ALLEGEDLY BY U.S. SUPPORT GIVEN TO GATT PANELS ON EC POLICIES, ONE OF THESE CONCERNING TOMATO PASTE. FEELING THAT IT IS UNDER ATTACK, THE COMMISSION HAS DECIDED TO TAKE THIS OPPORTUNITY TO RESPOND.

3. SOURCE SAID THAT THE FRG DOES NOT BELIEVE MUCH CAN BE ACHIEVED BY SUCH LEGALISTIC BATTLES, AND THAT IT IS ALSO CONCERNED ABOUT THE DANGER OF ESCALATION. WHEN THE COMMISSION EXPLAINED ITS INTENTIONS TO MEMBER STATES (PRESUMABLY AT APRIL 29 MEETING OF 113 COMMITTEE), SOURCE SAID THAT HE MADE IT CLEAR THAT COMMISSION SHOULD NOT GO FURTHER THAN MAKING STATEMENT OUTLINED IN PARA 1 ABOVE.

STOESSEL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, TRADE, BRIEFING MATERIALS, TELEVISION EQUIPMENT  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Executive Order:** R1 19970506  
**Errors:** N/A  
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**Retention:** 0  
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**TAGS:** ETRD, JA, GATT, EEC  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009